

1 A Yes.

2 Q And the two financial reports that we had just
3 looked at, one had been for national minority and the other
4 had been for Trinity Broadcasting Network. Do you remember
5 that?

6 A Yes, sir.

7 Q And the question that I had asked you was were the
8 same TBN personnel involved in interacting with the auditing
9 company, and you had said they were. Now with respect to CET,
10 would the same accounting personnel -- or were accounting
11 personnel at TBN also involved in interacting with the
12 accounting firm that put together the CET financial report?

13 A Yes.

14 Q With respect -- please turn to Mass Media Bureau
15 Exhibit 325.

16 A Yes, sir.

17 Q Did you have occasion to review, or did you review,
18 the financial -- excuse me, the tax return for 1989 for
19 National Minority TV prior to its submission to the Internal
20 Revenue Service?

21 A No, sir.

22 Q Do you know whether any director of National
23 Minority reviewed the tax return prior to its submission to
24 the Internal Revenue Service?

25 A No, sir, not to my knowledge.

1 Q Would you please turn to Mass Media Exhibit 327?

2 A Yes, sir.

3 Q The minutes reflect that this pertains to a special
4 meeting of National Minority TV that was held on October 5,
5 1990, and it states that all directors except Reverend
6 Phil Aguilar participated. Do you have any reason to know why
7 Reverend Aguilar did not participate in this October 5, 1990
8 special meeting?

9 A No, sir.

10 Q Do you know that Reverend Aguilar was contacted
11 beforehand to -- so that he could be informed that such a
12 meeting was going to take place?

13 A He typically would have been but I have no knowledge
14 of that.

15 Q How would that typical informing of Reverend Aguilar
16 occur?

17 A Mrs. Duff typically would call him.

18 Q She would not -- okay, what she would do is call the
19 Set Free office and let him know that there was to be a meet-
20 ing, that was the practice?

21 A The, the practice was to call him personally if at
22 all possible, and I suppose if he wasn't available at least
23 that information would be left -- let -- left with the office
24 but I just don't know.

25 Q Would you please turn to Mass Media Exhibit 331?

1 A Yes, sir.

2 Q Now do you know how it was that Dale Osborne, who at
3 this time, I take it, is still the station manager in, in
4 Canton, is preparing a report to -- he's preparing a report --
5 sending a report to Jane Duff concerning Channel 61 in
6 Wilmington which, as we know from other documents, is going to
7 be the station that National Minority is going to file for?

8 A I'm searching my memory, Mr. Shook. It, it may have
9 been my suggestion that Dale Osborne be sent or dispatched to
10 Wilmington area simply because he's -- of his close proximity
11 to the area being the manager up in Canton, Ohio.

12 Q Now would that sending of Mr. Osborne have been a
13 part of his TBN duties?

14 A He would certainly have been still on the TBN pay-
15 roll and paid for by TBN, and it would have had no impact upon
16 his salary. He did it at -- out of the goodness of his heart
17 and out of the goodness of Trinity's heart as a volunteer to
18 help us collect information.

19 Q You're getting better at this; you're anticipating
20 my next question.

21 A Trying to save time.

22 Q Please turn to Mass Media Exhibit 333.

23 A Yes, sir.

24 Q Now this is just a, a follow-up to what we saw
25 previously, and so Mr. Osborne is preparing this report and

1 | sending it, essentially, on TBN time?

2 | A Yes, sir.

3 | Q Please turn to Mass Media Exhibit 334.

4 | A Yes, sir.

5 | Q Did you have any role in negotiating a line of
6 | credit for National Minority TV in the amount of \$3,600,000?

7 | A I was generally aware that such a line of credit was
8 | going to be sought but I did not have a role in it.

9 | Q Now, if you'll look at page 2 under number 3,
10 | part A, where it says "security," do you see that cash in the
11 | amount of \$3,600,000 is to be pledged?

12 | A Yes.

13 | Q Where is that \$3,600,000 to come from?

14 | A From Trinity Broadcasting.

15 | Q Moving back to page 1, do you have any explanation
16 | or information as to why the letter is being addressed to
17 | Mrs. Duff in Odessa?

18 | A No, sir, I, I have never noticed that before. I
19 | have no idea.

20 | Q Mrs. Duff had never relocated her offices to Odessa
21 | at any time, had she?

22 | A No, sir.

23 | Q Would you please turn to Mass Media Exhibit 337?

24 | A Yes, sir?

25 | Q Now this is an agreement to provide business

1 services in respect to the -- apparently the Portland station
2 of National Minority TV, and then on the second line, line
3 underneath that, do you see the word "Portland"?

4 A Yes.

5 Q Do you have any knowledge as to how this agreement
6 came to be?

7 A No, sir, I, I really do not. I, I do -- I have come
8 to know in fairly recent times that Mrs. Duff negotiated this
9 agreement, and I do believe that I was generally aware of the
10 fact that such an agreement was in preparation, but I had no
11 part in the formulation of it, the negotiations of it, nor the
12 preparation of it.

13 Q Now, when you use the word "negotiation," do you
14 have any knowledge as to who it was that Mrs. Duff was
15 negotiating?

16 A It would have been someone over in the TBN account-
17 ing area. The top person over there is Mr. Brown but I, I
18 really don't know with whom she specifically negotiated with.

19 Q Do you have any knowledge as to how the figure of
20 \$422.50 that appears in part 3 on the first page, how that
21 figure was derived?

22 A No, sir, I do not.

23 Q Would you please turn to Mass Media Exhibit 338?

24 A Yes, sir.

25 Q And, if you would, take a look at Mass Media

1 Exhibit 339.

2 A Yes, sir.

3 Q Both of which reflect that the annual meeting of
4 both National Minority and the Trinity Christian Center of
5 Santa Ana, Inc., and affiliated corporations took place on
6 January 21, 1991 at Tustin, California. Do you see that?

7 A Yes, sir.

8 Q Now was there a separate meeting for National
9 Minority TV or was National Minority TV simply a part of the
10 larger setting and what we have here are separate minutes?

11 A While the officers and directors of National
12 Minority probably attended the combined boards of directors'
13 meeting, this, in my recollection, was a separate meeting not
14 combined with that larger meeting.

15 Q Well, who would have attended this separate meeting
16 of National Minority TV?

17 A I would have attended; Mrs. Duff would attend it;
18 and I see that the station manager, Portland, attended,
19 Mr. Jim McLelland.

20 Q Do you recall there being a meeting involving just
21 the three of you?

22 A I, I, I really can't tell you 100 percent but I
23 believe that to be the case.

24 Q Were there persons other than yourself, Mrs. Duff,
25 and Mr. McLelland who would have attended a separate meeting

1 of -- who attended a separate meeting of National Minority TV?

2 A The other officers could have and, and may have
3 attended but I don't see it recorded here nor do I have a
4 clear, independent memory whether they did or not.

5 Q Now, in the middle of the page of Mass Media
6 Exhibit 338, it states that "the president reported that he
7 will appear at a bankruptcy in Wilmington" et cetera. Do you
8 recall giving such a report to Mrs. Duff and Mr. McLelland
9 separately or was this simply part of a larger presentation
10 that you made to the assembled directors and officers of all
11 the Trinity companies?

12 A The best of my recollection, sir, is that I, I
13 explained the opportunity of this bankruptcy proceeding and
14 the opportunity of acquiring the station in Wilmington,
15 Delaware, and the best of my memory it was simply an, an oral
16 presentation.

17 Q Well, that -- my question wasn't whether it was oral
18 or written. My question was whether it was made to a -- the
19 small group, yourself, Mrs. Duff, and Mr. McLelland, or was it
20 simply part of a presentation to a larger group?

21 A No, that presentation was made to whoever was in
22 attendance at this National Minority meeting.

23 Q Would you please turn to Mass Media Exhibit 341?

24 A Yes, sir.

25 Q This is the newsletter for February of 1991. Again,

1 if you turn to page 3, we have a listing of studios. The
2 stations listed here with the listing of studios are to -- are
3 including those stations for which there is a Trinity owned
4 and operated station and/or a Trinity affiliated company in
5 which a Trinity board member has an interest, is that what
6 this situation is?

7 A As I review this list, yes, sir, that is case.

8 Q Would you please turn to Mass Media Exhibit 343?

9 A Yes, sir.

10 Q Now just briefly look through this so you know what
11 this letter is. It's from -- it's a letter from Joe Dunne to
12 George Sebastian. You're not copied on it, and what I'm
13 interested in really is in the first paragraph where it
14 states, "As you know, we received the go-ahead from Jane last
15 night," et cetera. The go-ahead given by Jane that is refer-
16 enced in this letter, would she have sought authority from you
17 to do that or did she have independent authority to give such
18 and authorization and didn't need your express approval to so
19 give it.

20 A Yes, she did not need my express approval.

21 Q And that's because this concerned low-power matters
22 and that was an area in which she was in charge?

23 A That's correct. Also there was the broad mandate
24 from the, the board of NMTV to proceed to acquire low-power
25 stations, and she was just acting on that authorization.

1 Q Now, look at, look at the first sentence and you'll
2 see that this isn't so much concerned with the filing of
3 applications for new stations. This is the preparation, 19
4 TBN and 1 NMTV, major change application.

5 A Yes, I see that.

6 Q Now, with that in mind, she had independent
7 authority to give such a go-ahead and she didn't need to
8 inform you or seek your approval to do so?

9 A Yes, typically a major change was less costly than
10 building a new station so that was clearly a, a less demanding
11 requirement than authorizing the building of a, of a whole new
12 station.

13 Q Would you please turn to Mass Media Exhibit 344?

14 A Yes, sir.

15 Q On or about March 8, 1991, did Mrs. Duff bring to
16 your attention that approximately "45 major change and/or new
17 applications will be submitted on behalf of TBN and/or
18 National Minority TV?"

19 A I don't recall any specific information concerning
20 that.

21 Q Would you please turn to Mass Media Exhibit 347?

22 A Yes, sir.

23 Q I notice on page 9 there's a signature which appears
24 to be that of Mrs. Duff. Do you see that?

25 A Yes.

1 Q And what you're looking at here is the assignees
2 portion of the Wilmington application.

3 A Yes, sir.

4 Q Was this application reviewed by you prior to the
5 time Mrs. Duff signed it?

6 A I do not recall reviewing it.

7 Q You were simply aware that it was going to be signed
8 and submitted?

9 A Yes, sir.

10 Q Please turn to Mass Media Exhibit 348.

11 A Yes, sir.

12 Q Did you negotiate with Prime Time what the price
13 would be for the sale of the Odessa station or was somebody
14 else involved in that process?

15 A My understanding, Jane Duff handled that almost
16 exclusively.

17 Q Do you know how it was -- how the price that eventu-
18 ally was settled upon came to, came to be the price? How did,
19 how did that work?

20 A No, sir.

21 Q Would you please turn to Mass Media Exhibit 349?

22 A Yes, sir.

23 Q And this is the newsletter for May 1991. The first
24 full paragraph, would you just read that to yourself?

25 (Pause.)

1 A Yes, sir, I've read it.

2 Q All right, the part that I'm interested in is toward
3 the end where it says, "A National Minority TV station of
4 which I am president working in full affiliation with your
5 TBN." Now, by working in full affiliation, what are we
6 talking about here? Are we talking about the programming
7 affiliation or is there something else involved?

8 A I think it's both the programming affiliation and
9 the fact of the -- myself being a common board member.

10 Q Would you turn to page 5?

11 A Yes, sir.

12 Q Studio locations, the same situation as we've had in
13 the past that the studio locations that are noted here are
14 those of the owned and operating companies, as well as those
15 companies for which TBN has an interest?

16 A Yes, sir, that is the case.

17 Q By virtue -- and that interest is by virtue of a
18 common board member?

19 A Yes.

20 Q Would you please turn to Mass Media Exhibit 352?

21 A Yes, sir.

22 Q Did Mrs. -- were you aware of the information in
23 this letter on or about the time of its transmission, that
24 these applications had been filed for TBN and NMTV?

25 A As always, I was generally aware of filings being

1 made but I, I had very little involvement of input into
2 exactly how, when, or where.

3 Q All right, did there come a time when you became
4 aware that a Petition to Deny the assignment of the Wilmington
5 station to National Minority was filed?

6 A Yes, sir.

7 Q And you became aware, or you, you are aware that
8 opposition to that petition was prepared and submitted to the
9 Commission?

10 A Yes.

11 Q What, if any, discussions did you have with Mr. May
12 and/or Mr. Dunne in regard to the preparation of that opposi-
13 tion?

14 A I, I do recall some conversations with Mr. May
15 concerning the preparation of that opposition to the petition,
16 but I left that pretty much to Mr. May to prepare and file.

17 Q Now, if you would, please turn to Mass Media
18 Exhibit 353 --

19 A Yes, sir.

20 Q -- which is a portion, not the entirety, a portion
21 of the opposition that was submitted in respect to the
22 Petition to Deny, and if you turn to page 28 of the exhibit,
23 you will see that there is a statement here from Mrs. Duff in
24 which she is verifying the factual information.

25 A Yes, I see that.

1 Q Now was there any particular reason why she was
2 doing this and not you as president of the company?

3 A Just that she was the main liaison with Mr. May and
4 the most actively involved in the day-to-day operation of, of
5 NMTV.

6 Q Please turn to Mass Media Exhibit 354.

7 A Yes, sir.

8 Q Did there come a time when you became aware that
9 Mr. Dunne was trying to contact Reverend Aguilar in order to
10 obtain information about his past?

11 A Yes, it was after the fact but I did come -- become
12 aware of it.

13 Q And how did that come about?

14 A I believe I may have gotten a copy of this letter.
15 I, I, I vaguely remember at least having the information in it
16 conveyed to me in some form, possibly from Mrs. Duff.

17 Q Well, once that information had been conveyed to
18 you, what, if anything, did you do about it?

19 A I don't think I did anything about it. I, I think
20 Mrs. Duff and, and counsel moved forward to find a way to make
21 that connection and get the information needed.

22 Q Would you please turn to Mass Media Exhibit 358?

23 A Yes, sir.

24 Q Now this reflects that there was a special meeting
25 of the board of National Minority on June 27, 1991. Do you

1 see that?

2 A Yes.

3 Q Do you recall attending such a meeting?

4 A Yes.

5 Q Now the -- in the third paragraph of the first page,
6 it reflects that the board discussed the Portland station and
7 the studio is completed "and we should be able to produce live
8 programming by this fall." Do you have any knowledge as to
9 when live programming actually began in Portland?

10 A No, sir.

11 Q Please turn to Mass Media Exhibit 361.

12 A Yes, sir.

13 Q Now this is a memo to yourself from Ben Miller.
14 Just take a minute or two to glance through it to familiarize
15 yourself with what this document is.

16 COURT REPORTER: I'd like to change the tape.

17 JUDGE CHACHKIN: Certainly.

18 (Whereupon, a brief recess was taken.)

19 DR. CROUCH: Yes, sir, I'm, I'm generally aware of
20 this memorandum, and I recall receiving it and discussing it
21 with Mr. Miller.

22 BY MR. SHOOK:

23 Q And the memo concerns Salt Lake stations. Salt
24 Lake stations would be what?

25 A This particular memorandum is concerning the

1 shortwave radio station in Salt Lake City.

2 Q I see. In the, in the first sentence there is also
3 a reference to a low-power. Do you see that?

4 A Ah, yes. It, it was a technical problem both with
5 the low-power and the shortwave station in Salt Lake City.

6 Q Now, the shortwave station in Salt Lake City is
7 licensed to Trinity?

8 A Yes.

9 Q Low-power station is licensed to National
10 Minority --

11 A Yes.

12 Q -- is that correct?

13 A Yes.

14 Q Would you please turn to Mass Media Exhibit 362?

15 A Yes, sir.

16 Q And also 363; they're basically -- the same question
17 would apply to both. The subject, Wilmington, Delaware,
18 concerns the National Minority station, correct?

19 A Yes.

20 Q And that would be for both 362 and 363?

21 A Yes, sir.

22 Q Please turn to Mass Media Exhibits 364, 365, and
23 366, and you really don't have to do anything more than look
24 at the first page of each of those to familiarize yourself
25 with what's there because I'm not going to be asking you about

1 the numbers.

2 A All right, sir.

3 Q My question is, are the same TBN personnel involved
4 in interacting with the auditing firm for all three reports?

5 A Yes, sir.

6 Q Please turn to Mass Media Exhibit 367.

7 A Yes, sir.

8 Q This is for a special meeting of the board of
9 Trinity Christian Center, Santa Ana, which occurred on
10 August 14, 1991, and the paragraph I want you to focus your
11 attention on is the third substantive paragraph, or the fourth
12 paragraph beginning "the board of directors then considered
13 the loan to National Minority TV."

14 A Yes, I see that. I've read it.

15 Q Now, before I ask you any question about that, I
16 want you to turn to Mass Media Exhibit 368.

17 A Yes, sir.

18 Q In Mass Media Exhibit 367, there is board consider-
19 ation by the TBN of a loan to National Minority TV in the
20 amount of \$3,600,000.

21 A Yes, sir.

22 Q Mass Media Exhibit 368 reflects a note dated
23 August 23, 1991, some 9 days later, in the amount of
24 \$4,000,000. Now, previously you may recall that when money
25 was being lent from Trinity to National Minority, there were

1 no notes. Now how did it come about that in August of 1991
2 there is now a note?

3 A I can tell you from my perspective as to why I felt
4 this was a good move. Earlier, National Minority had been
5 dealing with Midland/Odessa, a very small market. Even
6 Portland, Oregon, it was questionable how soon that that
7 station would be up and going and viable, and, and able to
8 support even itself. We're now talking, Mr. Shook, about the
9 fifth largest market in the United States, Wilmington/
10 Philadelphia, and my experience tells me, or told me then, and
11 even tells me now, that that would be a very important, via-
12 ble, self-supporting station that, that would be able to not
13 only handle its own expenses but take care of its own finan-
14 cial needs. So it was basically the size of the market, and
15 my estimation and projection of its ability to support itself
16 and carry its own financing that, in my mind, prompted the
17 difference here.

18 Q Would it be fair to state or would it be unfair to
19 state that the principal, if not the sole, reason for the
20 execution of the promissory note that appears as Mass Media
21 Exhibit 368 was the filing of the Petition to Deny against the
22 Wilmington application?

23 A Certainly not from my perspective.

24 Q Would you please turn to Mass Media Exhibit 371?

25 A Yes, sir.

1 Q Now, according to this memo, which is unsigned,
2 Mr. Miller is stating that "National Minority TV has retained
3 me." Were you aware of any retention or any retainer agree-
4 ment between National Minority TV and Mr. Miller?

5 A No, I certainly knew that Mr. Miller had provided
6 engineering consulting services to NMTV but I'm, I'm certainly
7 not focusing on any written consulting or retainer agreement.

8 Q Would you please turn to Mass Media Exhibit --

9 JUDGE CHACHKIN: Whoa, whoa, recess until 9 a.m.
10 Monday morning.

11 (Whereupon, a recess was taken at 4:00 p.m. until
12 9:00 p.m. on December 20, 1993.)

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CERTIFICATE OF REPORTER, TRANSCRIBER, AND PROOFREADER

IN THE MATTER OF TRINITY BROADCASTING OF FLORIDA, INC.

Name AND GLENDALE BROADCASTING COMPANY

MM DOCKET NO. 93-75

Docket No.

WASHINGTON, D.C.

Place

DECEMBER 17, 1993

Date

We, the undersigned, do hereby certify that the foregoing pages, numbers 2770 through 2936, inclusive, are the true, accurate and complete transcript prepared from the reporting by ALICE WEHNER in attendance at the above identified proceeding, in accordance with applicable provisions of the current Federal Communications Commission's professional verbatim reporting and transcription Statement of Work and have verified the accuracy of the transcript by (1) comparing the typewritten transcript against the reporting or recording accomplished at the proceeding and (2) comparing the final proofed typewritten transcript against the reporting or recording accomplished at the proceeding.

December 30, 1993

Date

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